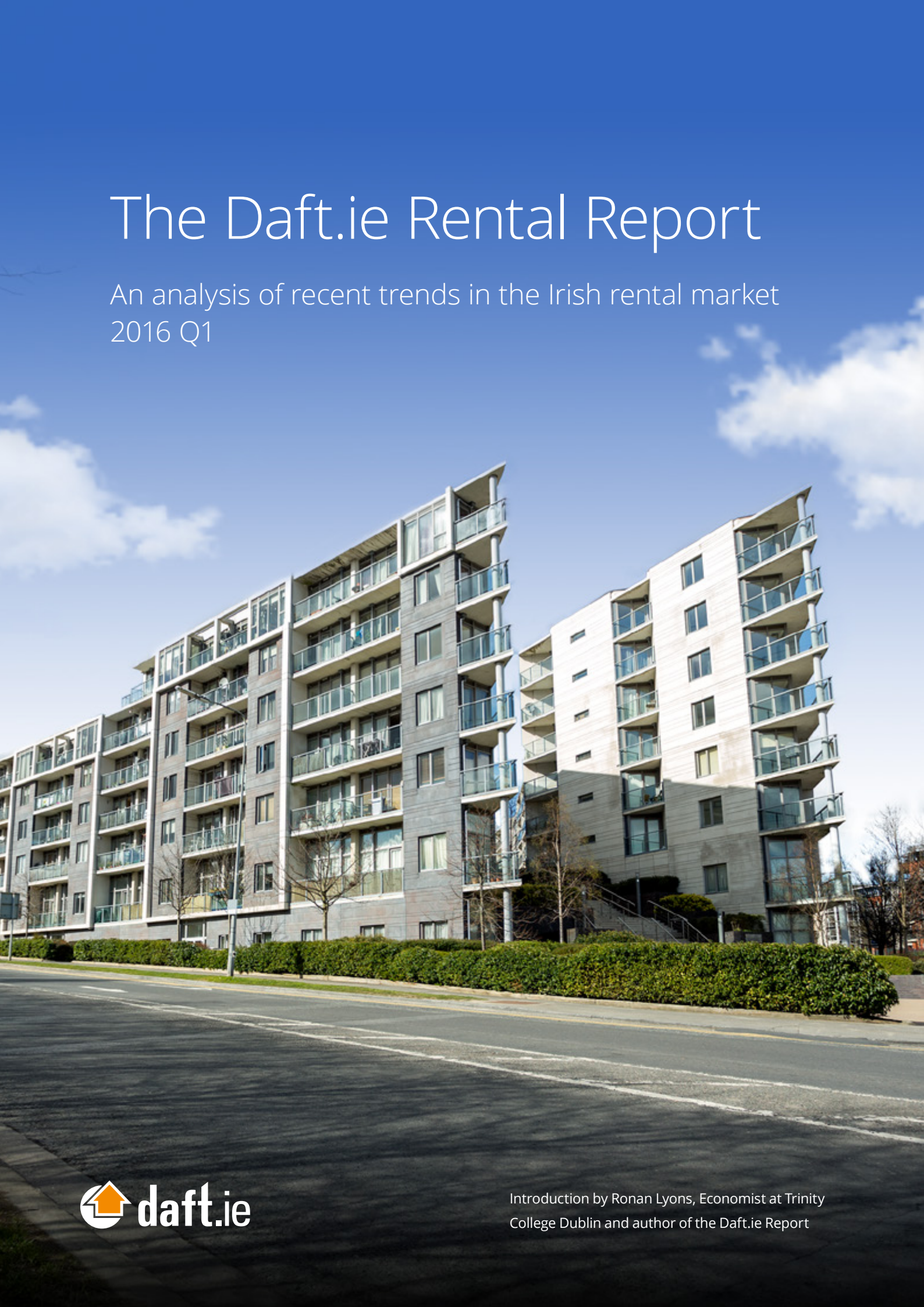
The Daft.ie Rental Report

An analysis of recent trends in the Irish rental market
2016 Q1



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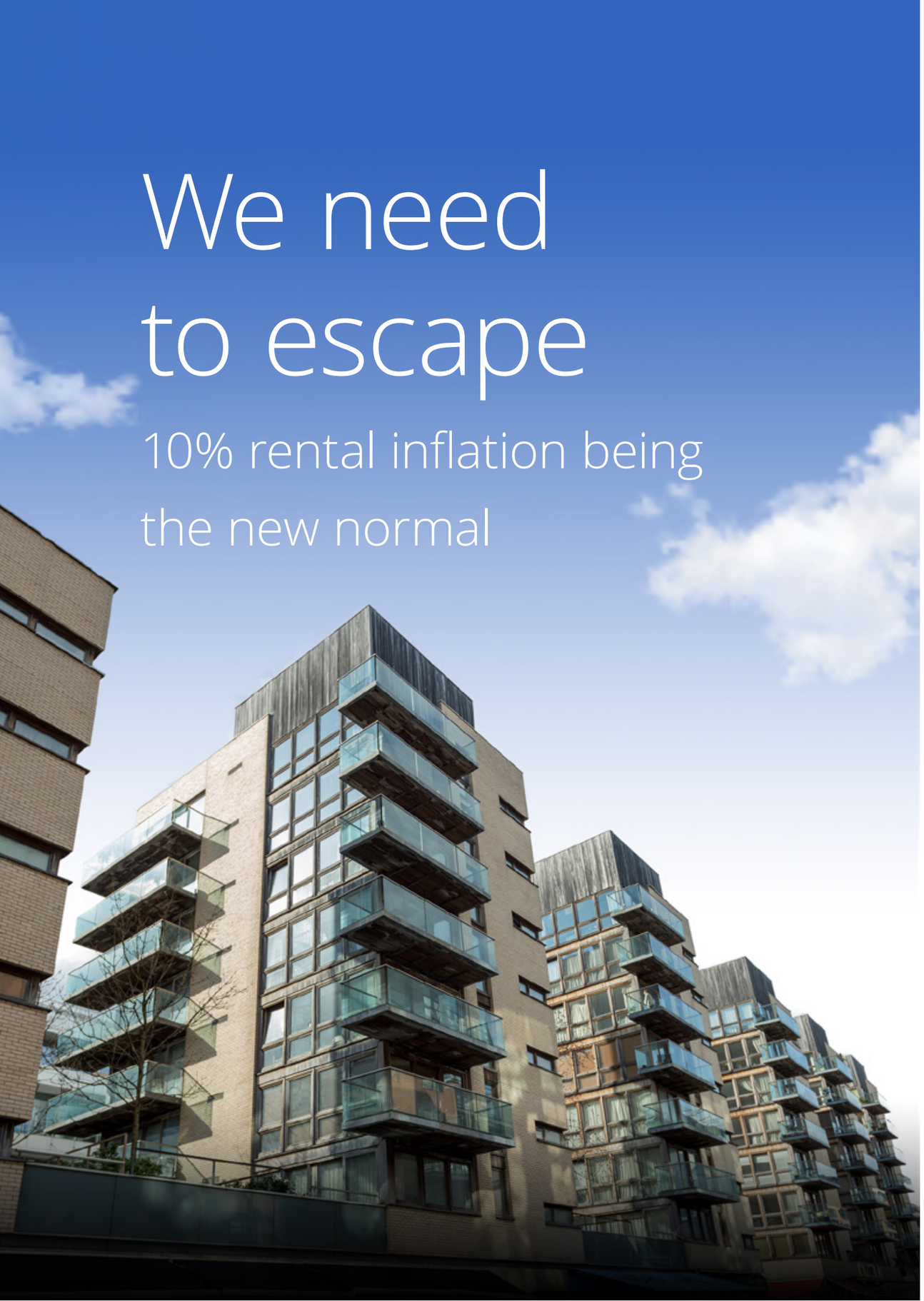
Introduction by Ronan Lyons, Economist at Trinity College Dublin and author of the Daft.ie Report

We need to escape

10% rental inflation being the new normal



Ronan Lyons
Economist at Trinity College Dublin and author of the Daft.ie Report.

The figures in this latest Daft.ie rental report show an increase in the average rent nationwide of 9.3% in the year to March 2016.

This represents a remarkably persistent rate of rental inflation, with the average annual increase rents since the second quarter of 2014 being 9.6%. Granted, there has been a shift in the composition of rental inflation, away from Dublin and towards the other cities in the rest of Leinster in particular.

Nonetheless, there is the danger that this very high rate of inflation becomes something of a new normal. There is nothing normal – or indeed sustainable – about inflation in rents of 10%. This is particularly the case, given that the rate of inflation in the wider economy is close to 0%. In other words, if this situation persisted into the future, the average household would have to devote an ever greater share of its income, just to pay its rent.

There rule of thumb about a household's accommodation costs is that their accommodation costs, in the form of rents or mortgage payments, should not be greater than roughly one third of the household's disposable income. If we take a household whose gross income is €45,000, this leaves them with roughly €3,000 a month in their after-tax disposable income. This means a household earning €45,000 should not be spending more than €1,000 a month on its rent. It is worth noting that an income of €45,000 is in the upper half of the income distribution, in other words this household is on an above-average income.

However, if we look at the rental market, we can see a growing disconnect between household incomes and prevailing rents. West Dublin, for example, is typically viewed as one of the most affordable parts of the rental market in the capital. The average rent for a three-bedroom house in West Dublin, though, has increased from less than €900 in 2012 to more than €1,300 in early 2016. In other words, it is becoming increasingly difficult, even for those with above-average incomes, to house themselves in or near the capital.

We know that investors involved in renting out accommodation require a net yield, or annual financial return, of at least 5%. The maths of finance means that once we know this, we can scale up from the monthly rent to construction costs. A monthly rent of €1300 converts into upfront construction cost of €260,000. And this brings up a second and more worrying point about the supply of homes in Ireland.

Even if the developer required land for free, it is not possible to build either a two-bedroom apartment or a three bed semi-detached house in Ireland currently for €260,000. So even before

Ireland's dysfunctional land market has its impact on affordability – and therefore on the volume of new construction – there is a fundamental problem in construction costs in Ireland being too high relative to our own incomes.

The formation, at last, of the new government hopefully marks the start of a new chapter in terms of housing policy in Ireland. It is widely acknowledged that, along with healthcare and possibly water charges, housing is the most pressing issue facing the new government. However, housing policy currently is dispersed across a number of departments and government organisations, including the Property Services Regulatory Authority, the Central Bank, the Housing Agency, the Department of Social Protection, the Department of Finance, the Department of the Environment, and local authorities, as well as others.

This means that no one government minister turns up at Cabinet meetings with housing consistently number one on their agenda, as happens routinely with health and education. Therefore, a new Housing Minister, or someone with similar responsibilities, could bring much-needed focus to housing policy in Ireland. And as the first item on their agenda needs to be a government sponsored audit of construction costs for the most common types of homes built in Ireland.

I would suggest this involves establishing in a transparent way the details of the costs involved in building a two-bedroom apartment, a three-bedroom semi-detached home, and four bed bungalow. This should be done not only for Ireland but also for other countries, including Northern Ireland, England, Denmark, and other economic peers. Comparisons should also be made to Ireland 10, 20 and 30 years ago, to see the impact on costs of changes in regulations and specifications.

By doing this, and by doing it in a transparent way that can be improved by industry experts or others if better evidence emerges, this will firstly create a consensus on what has been a contentious issue of the past two years, namely the level of construction costs. Perhaps more importantly, this will also identify the three, four or five policy measures that would have the greatest impact in bringing construction costs back in line with real incomes. Until this measure is taken, there will be no clarity in housing policy around supply and more importantly there will to be an increasing mismatch between the new demand for homes of all forms, including rental, and their supply.

Rents Rise Nationally

9.3%

(Year-on-year change in the average asking rent)

Daft.ie National Rental Index

(2012 average = 100)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
January	117.5	127.5	137.4	119.9	103.2	99.8	99.0	102.0	109.7	120.4	132.1
February	117.8	131.5	137.4	116.8	102.3	100.6	98.8	103.3	111.1	121.7	132.4
March	118.4	133.4	135.8	114.3	102.1	100.3	98.6	103.4	112.3	122.2	133.7
April	119.4	133.8	135.2	112.3	101.5	100.2	98.4	104.0	113.3	123.2	134.5
May	120.4	134.5	133.4	110.6	101.1	100.1	98.8	103.7	114.6	124.2	
June	121.4	135.1	132.0	109.1	100.5	99.8	99.0	103.6	115.3	125.2	
July	122.0	135.3	132.1	107.7	100.4	100.3	99.6	105.4	116.3	126.7	
August	123.2	136.4	131.2	107.3	101.4	100.3	100.6	106.7	117.3	128.3	
September	124.9	136.9	130.3	106.2	101.1	99.7	100.7	107.4	118.3	129.6	
October	125.6	136.6	127.5	104.7	100.7	99.1	100.7	107.9	118.8	130.2	
November	125.0	136.4	123.3	102.6	99.1	98.3	101.5	107.7	119.6	129.7	
December	126.9	136.6	120.1	101.7	98.9	98.7	101.2	108.3	119.9	130.5	

Rent

Average Nationwide

€998

Fifteenth quarter in a row of rent rises

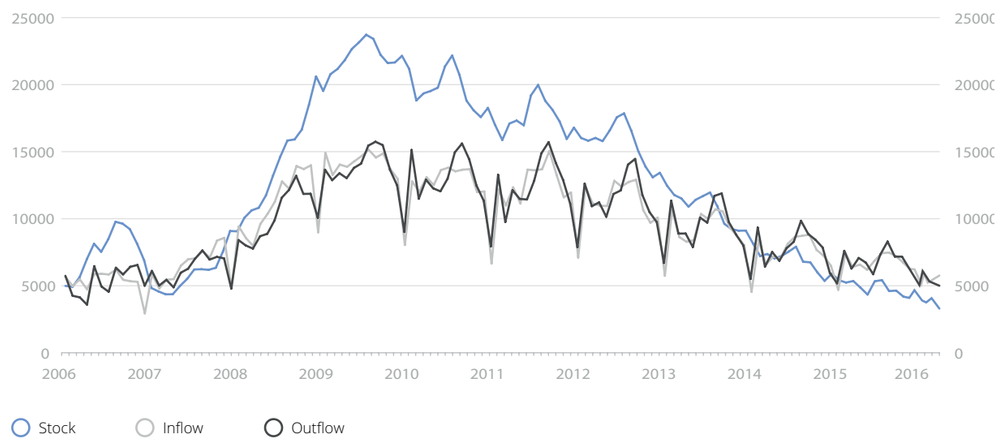
Rents rose by an average of 2% between January and March, meaning rents have now risen in 18 of the last 21 quarters.

Rates of inflation high and steady in Dublin and elsewhere

Annual inflation in rents in Dublin remains between 8% and 9% while outside Dublin the rate of inflation remain just below 10%.

Just 3,082 homes to rent on May 1

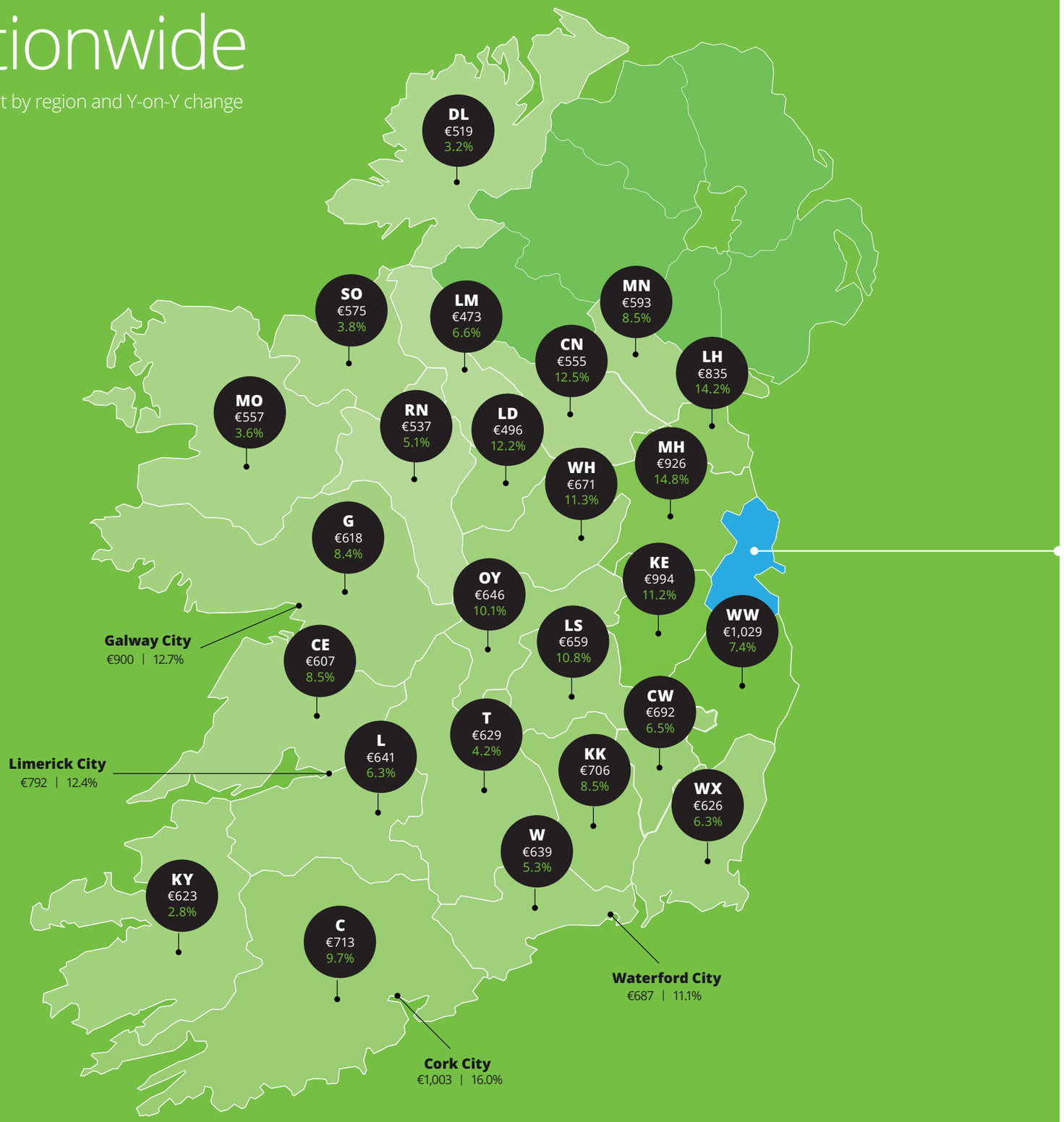
Compared to a peak of nearly 24,000 in mid-2009 and over 7,200 two years ago, there were just 3,082 properties on the market nationwide at the start of May, the lowest on record.



The index is based on asking rents for properties advertised to let on Daft.ie. Figures are calculated from econometric regressions, which calculate changes in price that are independent of changes in observable measures of quality, such as location, or bedroom number.

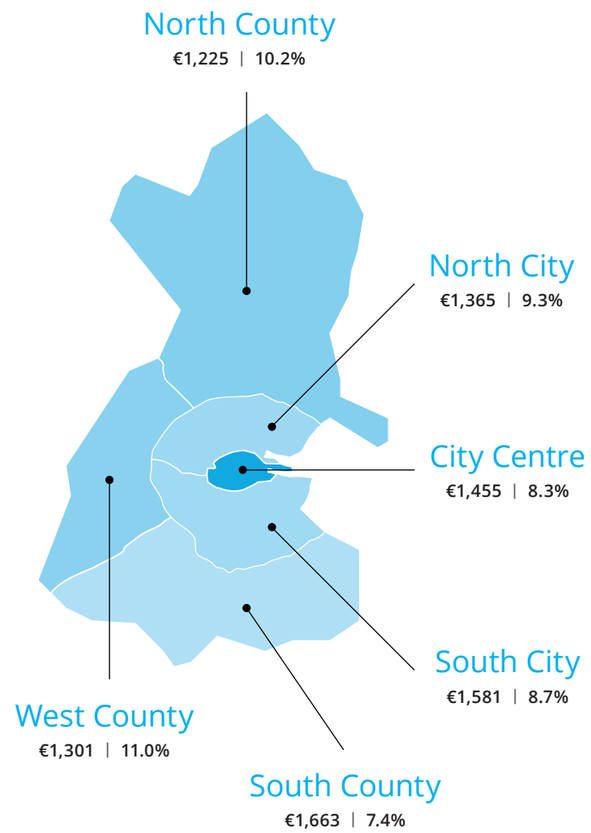
Nationwide

Average rent by region and Y-on-Y change



Dublin

Average rent and Y-on-Y change



Rents up 34% since their lowest point in 2011

The average rent nationwide has risen by just over one third since bottoming out in late 2011 and is just 3% below the early 2008 peak. In Dublin, rents are now an average of 1.3% above their previous peak and in Dublin 4 and Dublin 16 are 5% above levels recorded eight years ago. In other cities, rents are on average 1.2% below previous highs, while outside the cities, the average rent remains 9.1% below peak levels.

Daft.ie Snapshot of Rents Nationwide

What can I ask for? Can I afford it?

Average monthly rents across Ireland (€), and annual change (%), 2016 Q1

		1 bed apartment		2 bed house		3 bed house		4 bed house		5 bed house	
DUBLIN	**Dublin 1**	€1,187	8.6%	€1,443	7.4%	€1,771	7.9%	€2,188	7.1%	€2,584	6.9%
	Dublin 2	€1,407	3.5%	€1,668	5.1%	€2,017	5.8%	€2,397	6.1%	€3,297	18.3%
	Dublin 3	€1,200	9.4%	€1,397	8.1%	€1,606	7.5%	€1,875	8.6%	€2,044	12.5%
	Dublin 4	€1,548	9.0%	€1,768	8.0%	€2,066	6.5%	€2,326	9.0%	€2,468	8.7%
	Dublin 5	€1,034	8.2%	€1,191	9.5%	€1,470	8.1%	€1,579	7.2%	€1,754	10.7%
	Dublin 6	€1,297	5.2%	€1,494	6.4%	€1,844	5.1%	€1,980	4.2%	€2,200	7.6%
	Dublin 6W	€1,210	8.2%	€1,393	9.5%	€1,719	8.1%	€1,846	7.2%	€2,051	10.7%
	Dublin 7	€1,099	7.0%	€1,266	8.3%	€1,563	6.9%	€1,678	6.0%	€1,864	9.4%
	Dublin 8	€1,160	7.9%	€1,336	9.2%	€1,649	7.8%	€1,770	6.9%	€1,967	10.3%
	Dublin 9	€1,057	7.4%	€1,217	8.6%	€1,502	7.3%	€1,613	6.4%	€1,792	9.8%
	Dublin 10	€907	5.3%	€1,044	6.5%	€1,289	5.2%	€1,384	4.3%	€1,538	7.7%
	Dublin 11	€990	9.4%	€1,140	10.6%	€1,407	9.2%	€1,511	8.3%	€1,679	11.8%
	Dublin 12	€1,037	9.2%	€1,194	10.5%	€1,474	9.1%	€1,583	8.2%	€1,758	11.7%
	Dublin 13	€1,062	9.8%	€1,223	11.1%	€1,510	9.6%	€1,621	8.7%	€1,801	12.2%
	Dublin 14	€1,197	7.8%	€1,379	9.1%	€1,702	7.7%	€1,827	6.8%	€2,030	10.2%
	Dublin 15	€956	7.9%	€1,101	9.2%	€1,359	7.8%	€1,459	6.9%	€1,621	10.3%
	Dublin 16	€1,095	6.5%	€1,261	7.7%	€1,557	6.3%	€1,671	5.5%	€1,857	8.8%
	Dublin 17	€908	-1.9%	€1,045	-0.7%	€1,290	-2.0%	€1,385	-2.8%	€1,539	0.3%
	Dublin 18	€1,197	9.4%	€1,379	10.7%	€1,701	9.3%	€1,827	8.4%	€2,030	11.9%
	Dublin 20	€1,036	9.4%	€1,193	10.6%	€1,472	9.2%	€1,581	8.3%	€1,756	11.8%
	Dublin 22	€938	9.9%	€1,081	11.2%	€1,334	9.8%	€1,432	8.9%	€1,591	12.4%
	Dublin 24	€955	8.9%	€1,100	10.2%	€1,358	8.8%	€1,458	7.9%	€1,620	11.3%
	North Co Dublin	€910	9.0%	€1,047	10.3%	€1,293	8.9%	€1,388	8.0%	€1,542	11.5%
	South Co Dublin	€1,253	6.4%	€1,443	7.7%	€1,781	6.3%	€1,913	5.4%	€2,125	8.8%
	West Dublin	€935	10.1%	€1,077	11.3%	€1,329	9.9%	€1,427	9.0%	€1,586	12.5%
OTHER CITIES	**Cork City**	€748	15.8%	€848	17.3%	€1,047	15.8%	€1,124	14.9%	€1,249	18.6%
	Galway City	€651	12.1%	€738	13.6%	€911	12.1%	€978	11.2%	€1,087	14.8%
	Limerick City	€571	12.2%	€648	13.6%	€799	12.2%	€858	11.3%	€953	14.8%
	Waterford City	€500	11.1%	€567	12.6%	€699	11.2%	€751	10.2%	€834	13.8%

		1 bed apartment		2 bed house		3 bed house		4 bed house		5 bed house	
LEINSTER	**Meath**	€641	12.1%	€743	13.8%	€917	12.3%	€985	11.4%	€1,095	15.0%
	Kildare	€696	8.7%	€807	10.3%	€996	8.9%	€1,069	8.0%	€1,188	11.5%
	Wicklow	€733	5.0%	€850	6.5%	€1,049	5.2%	€1,127	4.3%	€1,252	7.7%
	Louth	€579	11.1%	€671	12.8%	€829	11.3%	€890	10.4%	€989	14.0%
	Longford	€352	9.6%	€408	11.2%	€504	9.8%	€541	8.9%	€601	12.4%
	Offaly	€442	7.6%	€513	9.2%	€633	7.8%	€680	6.9%	€755	10.4%
	Westmeath	€464	8.8%	€539	10.4%	€665	9.0%	€714	8.1%	€793	11.6%
	Laois	€453	7.8%	€526	9.4%	€649	8.0%	€697	7.1%	€774	10.5%
	Carlow	€466	3.9%	€541	5.4%	€667	4.0%	€717	3.2%	€796	6.5%
	Kilkenny	€479	5.9%	€556	7.5%	€686	6.1%	€737	5.3%	€819	8.7%
	Wexford	€431	3.9%	€500	5.5%	€617	4.1%	€663	3.3%	€737	6.6%
MUNSTER	**Waterford Co**	€427	5.8%	€493	5.6%	€609	4.3%	€654	3.5%	€726	6.8%
	Kerry	€416	3.0%	€481	2.9%	€594	1.6%	€638	0.7%	€709	4.0%
	Cork Co	€485	10.1%	€560	9.9%	€691	8.5%	€742	7.6%	€825	11.1%
	Clare	€409	9.2%	€473	9.1%	€584	7.7%	€627	6.8%	€696	10.2%
	Limerick Co	€421	7.2%	€486	7.0%	€600	5.7%	€645	4.8%	€716	8.2%
	Tipperary	€421	4.6%	€487	4.5%	€601	3.1%	€645	2.3%	€717	5.6%
CONNACHT	**Galway Co**	€448	7.6%	€500	7.8%	€617	6.4%	€663	5.6%	€737	9.0%
	Mayo	€406	2.6%	€453	2.8%	€560	1.5%	€601	0.6%	€668	3.9%
	Roscommon	€387	3.9%	€432	4.1%	€533	2.8%	€572	2.0%	€636	5.2%
	Sligo	€429	1.9%	€479	2.1%	€591	0.8%	€634	0.0%	€705	3.2%
	Leitrim	€365	4.5%	€407	4.7%	€502	3.4%	€539	2.6%	€599	5.9%
ULSTER	**Donegal**	€381	2.1%	€425	2.3%	€525	1.0%	€564	0.1%	€626	3.4%
	Cavan	€405	11.6%	€452	11.8%	€558	10.4%	€600	9.5%	€666	13.0%
	Monaghan	€442	7.7%	€493	8.0%	€608	6.6%	€653	5.7%	€726	9.1%

Daft.ie Snapshot of Yields

The yield is the ratio of annual rents to the price of the property.

It is comparable to an interest rate and is frequently used as a measure of how healthy the property market is. Gross annual yields across Ireland (%), and year-on-year change (in percentage points), 2016 Q1.

		1 bed apartment		2 bed house		3 bed house		4 bed house		5 bed house	
DUBLIN	Dublin 1	8.7%	-0.1%	7.0%	0.2%	6.2%	0.2%	5.1%	-0.0%	5.0%	0.3%
	Dublin 2	7.6%	1.4%	6.5%	0.7%	5.5%	0.5%	4.3%	0.2%	5.2%	1.2%
	Dublin 3	7.0%	0.3%	5.8%	0.2%	4.7%	0.1%	3.4%	0.0%	3.0%	0.1%
	Dublin 4	6.7%	0.9%	5.3%	0.3%	4.3%	0.2%	2.8%	0.1%	2.5%	0.1%
	Dublin 5	7.6%	1.0%	6.9%	0.9%	5.6%	0.3%	3.6%	-0.0%	3.4%	0.2%
	Dublin 6	5.6%	0.7%	5.0%	0.7%	4.1%	0.2%	2.6%	-0.0%	2.5%	0.2%
	Dublin 6W	6.4%	0.8%	5.8%	0.7%	4.7%	0.2%	3.1%	-0.0%	2.9%	0.2%
	Dublin 7	7.9%	0.7%	7.1%	0.7%	5.8%	0.1%	3.7%	-0.2%	3.5%	0.1%
	Dublin 8	8.0%	0.6%	7.2%	0.6%	5.9%	0.0%	3.8%	-0.2%	3.6%	0.1%
	Dublin 9	7.4%	0.7%	6.8%	0.7%	5.5%	0.1%	3.5%	-0.2%	3.4%	0.1%
	Dublin 10	10.2%	0.4%	9.2%	0.4%	7.5%	-0.3%	4.8%	-0.5%	4.6%	-0.1%
	Dublin 11	9.4%	0.8%	8.5%	0.8%	6.9%	0.1%	4.5%	-0.2%	4.2%	0.1%
	Dublin 12	8.6%	1.0%	7.8%	0.9%	6.3%	0.3%	4.1%	-0.1%	3.9%	0.2%
	Dublin 13	7.4%	1.0%	6.7%	0.9%	5.4%	0.3%	3.5%	-0.0%	3.3%	0.2%
	Dublin 14	6.6%	0.7%	6.0%	0.7%	4.8%	0.2%	3.1%	-0.1%	3.0%	0.2%
	Dublin 15	8.7%	1.1%	7.9%	1.0%	6.4%	0.4%	4.1%	-0.0%	3.9%	0.3%
	Dublin 16	6.9%	1.1%	6.3%	1.0%	5.1%	0.4%	3.3%	0.1%	3.1%	0.3%
	Dublin 17	9.4%	0.0%	8.5%	0.0%	6.9%	-0.6%	4.5%	-0.7%	4.2%	-0.3%
	Dublin 18	6.7%	1.1%	6.1%	1.0%	4.9%	0.5%	3.2%	0.1%	3.0%	0.3%
	Dublin 20	8.3%	1.1%	7.5%	1.0%	6.1%	0.4%	3.9%	0.0%	3.7%	0.3%
	Dublin 22	10.3%	0.9%	9.3%	0.9%	7.6%	0.1%	4.9%	-0.2%	4.6%	0.1%
	Dublin 24	9.9%	0.8%	9.0%	0.8%	7.2%	0.1%	4.7%	-0.3%	4.4%	0.1%
	North Co Dublin	8.1%	1.1%	7.4%	1.0%	6.0%	0.4%	3.9%	-0.0%	3.7%	0.3%
	South Co Dublin	5.9%	0.8%	5.4%	0.7%	4.4%	0.3%	2.8%	0.0%	2.7%	0.2%
	West Dublin	8.4%	1.2%	7.7%	1.1%	6.2%	0.4%	4.0%	0.0%	3.8%	0.3%
OTHER CITIES	Cork City	9.2%	0.6%	8.6%	0.1%	6.1%	-0.4%	3.8%	-0.3%	3.4%	0.1%
	Galway City	8.9%	0.3%	8.3%	-0.2%	5.9%	-0.6%	3.6%	-0.5%	3.3%	-0.1%
	Limerick City	10.5%	0.1%	9.8%	-0.5%	7.0%	-0.9%	4.3%	-0.7%	3.8%	-0.2%
	Waterford City	10.7%	-0.0%	9.9%	-0.6%	7.1%	-1.0%	4.3%	-0.7%	3.9%	-0.2%

		1 bed apartment		2 bed house		3 bed house		4 bed house		5 bed house	
LEINSTER	Meath	9.8%	1.0%	9.2%	0.6%	7.5%	-0.2%	4.0%	-0.0%	4.1%	0.3%
	Kildare	9.8%	0.9%	9.2%	0.5%	7.4%	-0.3%	4.0%	-0.1%	4.1%	0.2%
	Wicklow	8.2%	0.7%	7.7%	0.3%	6.2%	-0.3%	3.4%	-0.1%	3.4%	0.1%
	Louth	10.1%	0.8%	9.5%	0.4%	7.7%	-0.4%	4.2%	-0.1%	4.2%	0.2%
	Longford	12.2%	1.5%	11.4%	1.0%	9.3%	-0.0%	5.0%	0.1%	5.1%	0.4%
	Offaly	10.1%	1.1%	9.5%	0.7%	7.7%	-0.2%	4.2%	0.0%	4.2%	0.3%
	Westmeath	9.9%	0.7%	9.3%	0.3%	7.6%	-0.5%	4.1%	-0.2%	4.2%	0.1%
	Laois	10.1%	0.5%	9.5%	0.1%	7.7%	-0.6%	4.2%	-0.3%	4.2%	0.0%
	Carlow	10.6%	1.1%	9.9%	0.6%	8.1%	-0.2%	4.4%	-0.0%	4.4%	0.3%
	Kilkenny	9.1%	0.5%	8.5%	0.1%	6.9%	-0.6%	3.7%	-0.2%	3.8%	0.0%
	Wexford	9.1%	0.3%	8.6%	-0.1%	6.9%	-0.7%	3.8%	-0.3%	3.8%	-0.1%
MUNSTER	Waterford Co	8.1%	-0.2%	7.7%	-0.4%	6.2%	-0.7%	3.3%	-0.4%	3.3%	-0.1%
	Kerry	8.9%	-0.2%	8.5%	-0.4%	6.8%	-0.8%	3.6%	-0.4%	3.7%	-0.1%
	Cork Co	9.1%	-0.0%	8.7%	-0.3%	7.0%	-0.7%	3.7%	-0.3%	3.8%	-0.1%
	Clare	9.1%	-0.2%	8.7%	-0.4%	7.0%	-0.8%	3.7%	-0.4%	3.8%	-0.1%
	Limerick Co	10.1%	0.1%	9.6%	-0.1%	7.7%	-0.6%	4.1%	-0.3%	4.1%	0.0%
	Tipperary	9.7%	0.1%	9.3%	-0.1%	7.4%	-0.6%	4.0%	-0.3%	4.0%	0.0%
CONNACHT	Galway Co	10.1%	-0.4%	10.1%	-0.6%	8.2%	-1.2%	4.3%	-0.4%	4.2%	-0.0%
	Mayo	10.3%	-0.1%	10.4%	-0.3%	8.4%	-0.9%	4.4%	-0.3%	4.3%	0.1%
	Roscommon	12.0%	-0.3%	12.0%	-0.6%	9.8%	-1.3%	5.1%	-0.5%	5.0%	0.0%
	Sligo	11.3%	0.2%	11.3%	0.0%	9.1%	-0.7%	4.7%	-0.2%	4.7%	0.2%
	Leitrim	10.7%	-1.0%	10.7%	-1.2%	8.7%	-1.8%	4.5%	-0.8%	4.4%	-0.3%
ULSTER	Donegal	9.8%	-0.6%	9.9%	-0.7%	8.0%	-1.3%	4.2%	-0.5%	4.1%	-0.1%
	Cavan	10.6%	-0.4%	10.7%	-0.6%	8.6%	-1.2%	4.5%	-0.5%	4.4%	-0.0%
	Monaghan	10.3%	0.1%	10.3%	-0.1%	8.3%	-0.8%	4.3%	-0.3%	4.3%	0.2%
NATIONAL	Average	8.9%	0.5%	8.5%	0.2%	7.0%	-0.5%	4.0%	-0.3%	3.9%	0.0%

To buy or to rent?

Using the Daft.ie House Price and Rental reports, it is possible to calculate the average mortgage payment as well as the average rent, for properties around the country.

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		1 bed apartment			2 bed house			3 bed house			4 bed house			5 bed house		
		Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent
DUBLIN	**Dublin 1**	€686	€858	€1,187	€1,039	€1,299	€1,443	€1,450	€1,814	€1,771	€2,151	€2,690	€2,188	€2,619	€3,276	€2,584
	Dublin 2	€930	€1,164	€1,407	€1,293	€1,618	€1,668	€1,853	€2,318	€2,017	€2,825	€3,533	€2,397	€3,201	€4,004	€3,297
	Dublin 3	€864	€1,081	€1,200	€1,218	€1,523	€1,397	€1,711	€2,141	€1,606	€2,787	€3,486	€1,875	€3,488	€4,363	€2,044
	Dublin 4	€1,173	€1,467	€1,548	€1,674	€2,094	€1,768	€2,449	€3,063	€2,066	€4,127	€5,162	€2,326	€5,034	€6,296	€2,468
	Dublin 5	€689	€862	€1,034	€873	€1,092	€1,191	€1,332	€1,666	€1,470	€2,211	€2,765	€1,579	€2,592	€3,241	€1,754
	Dublin 6	€1,180	€1,475	€1,297	€1,494	€1,869	€1,494	€2,279	€2,851	€1,844	€3,782	€4,731	€1,980	€4,434	€5,546	€2,200
	Dublin 6W	€950	€1,188	€1,210	€1,203	€1,504	€1,393	€1,835	€2,295	€1,719	€3,045	€3,808	€1,846	€3,569	€4,464	€2,051
	Dublin 7	€706	€884	€1,099	€895	€1,119	€1,266	€1,365	€1,707	€1,563	€2,265	€2,833	€1,678	€2,655	€3,321	€1,864
	Dublin 8	€734	€918	€1,160	€930	€1,163	€1,336	€1,419	€1,774	€1,649	€2,354	€2,945	€1,770	€2,760	€3,452	€1,967
	Dublin 9	€718	€898	€1,057	€909	€1,137	€1,217	€1,386	€1,734	€1,502	€2,301	€2,878	€1,613	€2,697	€3,374	€1,792
	Dublin 10	€451	€564	€907	€571	€714	€1,044	€871	€1,090	€1,289	€1,446	€1,808	€1,384	€1,695	€2,120	€1,538
	Dublin 11	€532	€666	€990	€674	€844	€1,140	€1,029	€1,287	€1,407	€1,707	€2,136	€1,511	€2,002	€2,503	€1,679
	Dublin 12	€608	€761	€1,037	€770	€963	€1,194	€1,175	€1,469	€1,474	€1,950	€2,439	€1,583	€2,286	€2,859	€1,758
	Dublin 13	€728	€910	€1,062	€922	€1,153	€1,223	€1,406	€1,758	€1,510	€2,333	€2,918	€1,621	€2,735	€3,421	€1,801
	Dublin 14	€918	€1,148	€1,197	€1,163	€1,454	€1,379	€1,773	€2,218	€1,702	€2,943	€3,681	€1,827	€3,450	€4,316	€2,030
	Dublin 15	€554	€693	€956	€702	€877	€1,101	€1,070	€1,338	€1,359	€1,776	€2,221	€1,459	€2,082	€2,604	€1,621
	Dublin 16	€802	€1,003	€1,095	€1,016	€1,270	€1,261	€1,549	€1,938	€1,557	€2,571	€3,216	€1,671	€3,014	€3,770	€1,857
	Dublin 17	€489	€612	€908	€620	€775	€1,045	€945	€1,182	€1,290	€1,569	€1,962	€1,385	€1,839	€2,300	€1,539
	Dublin 18	€903	€1,129	€1,197	€1,143	€1,430	€1,379	€1,744	€2,181	€1,701	€2,894	€3,620	€1,827	€3,393	€4,244	€2,030
	Dublin 20	€632	€791	€1,036	€801	€1,001	€1,193	€1,221	€1,528	€1,472	€2,027	€2,535	€1,581	€2,376	€2,972	€1,756
	Dublin 22	€461	€577	€938	€584	€730	€1,081	€891	€1,114	€1,334	€1,478	€1,849	€1,432	€1,733	€2,167	€1,591
	Dublin 24	€490	€612	€955	€620	€776	€1,100	€946	€1,183	€1,358	€1,570	€1,963	€1,458	€1,840	€2,301	€1,620
	North Co Dublin	€564	€706	€910	€715	€894	€1,047	€1,091	€1,364	€1,293	€1,810	€2,264	€1,388	€2,122	€2,654	€1,542
	South Co Dublin	€1,065	€1,332	€1,253	€1,349	€1,687	€1,443	€2,057	€2,573	€1,781	€3,414	€4,270	€1,913	€4,002	€5,005	€2,125
	West Dublin	€560	€700	€935	€709	€886	€1,077	€1,081	€1,352	€1,329	€1,794	€2,244	€1,427	€2,103	€2,631	€1,586
OTHER CITIES	**Cork City**	€409	€512	€748	€497	€622	€848	€859	€1,075	€1,047	€1,510	€1,889	€1,124	€1,862	€2,328	€1,249
	Galway City	€370	€463	€651	€449	€562	€738	€777	€972	€911	€1,366	€1,708	€978	€1,684	€2,106	€1,087
	Limerick City	€276	€345	€571	€335	€419	€648	€579	€725	€799	€1,018	€1,274	€858	€1,255	€1,570	€953
	Waterford City	€237	€296	€500	€287	€360	€567	€407	€622	€699	€874	€1,093	€751	€1,077	€1,347	€834

To buy or to rent?

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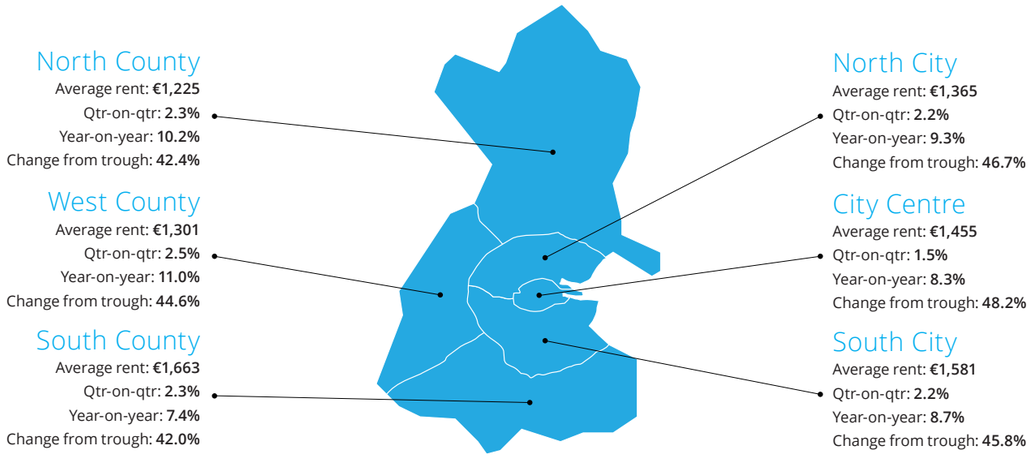
Average mortgage and rent payments compared, across Ireland, 2016 Q1.

		1 bed apartment			2 bed house			3 bed house			4 bed house			5 bed house		
		Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent	Mortgage (4.3%)	Mortgage +2%	Rent
LEINSTER	**Meath**	€329	€412	€641	€407	€509	€743	€619	€774	€917	€1,229	€1,538	€985	€1,342	€1,679	€1,095
	Kildare	€359	€450	€696	€445	€556	€807	€675	€845	€996	€1,342	€1,679	€1,069	€1,465	€1,833	€1,188
	Wicklow	€453	€567	€733	€561	€701	€850	€852	€1,065	€1,049	€1,692	€2,117	€1,127	€1,847	€2,311	€1,252
	Louth	€289	€362	€579	€358	€447	€671	€543	€680	€829	€1,080	€1,351	€890	€1,179	€1,474	€989
	Longford	€146	€183	€352	€181	€226	€408	€274	€343	€504	€545	€682	€541	€595	€744	€601
	Offaly	€221	€277	€442	€274	€342	€513	€416	€520	€633	€826	€1,033	€680	€902	€1,128	€755
	Westmeath	€236	€295	€464	€292	€365	€539	€443	€554	€665	€880	€1,101	€714	€961	€1,202	€793
	Laois	€226	€282	€453	€279	€349	€526	€424	€530	€649	€843	€1,054	€697	€920	€1,150	€774
	Carlow	€222	€277	€466	€274	€343	€541	€417	€521	€667	€828	€1,036	€717	€904	€1,131	€796
	Kilkenny	€267	€334	€479	€330	€413	€556	€501	€627	€686	€996	€1,246	€737	€1,087	€1,360	€819
	Wexford	€239	€299	€431	€295	€369	€500	€449	€561	€617	€891	€1,115	€663	€973	€1,217	€737
MUNSTER	**Waterford Co**	€267	€334	€427	€324	€405	€493	€497	€622	€609	€1,002	€1,253	€654	€1,102	€1,379	€726
	Kerry	€236	€295	€416	€286	€358	€481	€440	€550	€594	€886	€1,108	€638	€975	€1,219	€709
	Cork Co	€269	€336	€485	€326	€408	€560	€501	€626	€691	€1,009	€1,262	€742	€1,110	€1,388	€825
	Clare	€227	€284	€409	€275	€344	€473	€422	€528	€584	€851	€1,065	€627	€936	€1,171	€696
	Limerick Co	€211	€264	€421	€256	€320	€486	€393	€492	€600	€793	€991	€645	€872	€1,091	€716
	Tipperary	€219	€274	€421	€266	€332	€487	€408	€510	€601	€822	€1,028	€645	€904	€1,131	€717
CONNACHT	**Galway Co**	€224	€280	€448	€249	€311	€500	€379	€474	€617	€784	€981	€663	€882	€1,104	€737
	Mayo	€198	€248	€406	€221	€276	€453	€336	€421	€560	€696	€870	€601	€783	€979	€668
	Roscommon	€163	€204	€387	€181	€227	€432	€276	€345	€533	€571	€714	€572	€642	€803	€636
	Sligo	€192	€241	€429	€214	€268	€479	€326	€408	€591	€675	€844	€634	€759	€949	€705
	Leitrim	€173	€216	€365	€192	€240	€407	€293	€366	€502	€605	€757	€539	€681	€852	€599
ULSTER	**Donegal**	€195	€244	€381	€217	€272	€425	€331	€414	€525	€685	€857	€564	€771	€964	€626
	Cavan	€192	€241	€405	€214	€268	€452	€326	€408	€558	€674	€843	€600	€759	€949	€666
	Monaghan	€217	€271	€442	€241	€302	€493	€368	€460	€608	€761	€952	€653	€856	€1,071	€726

Dublin

Rents in Dublin now 1.3% above their previous highs in 2007.



Roughly 2% rise in rents in early 2016

Across Dublin, rents rose by between 1.5% and 2.5% between January and March and are now nearly 9% higher than a year ago.

West Dublin rents growing fastest

For the second quarter in a row, rents in West Dublin are rising faster than in other regions of the capital.

Supply reaches new los

Just 1,100 properties were available to rent in the capital on May 1, a new record low for the series which started in 2006.

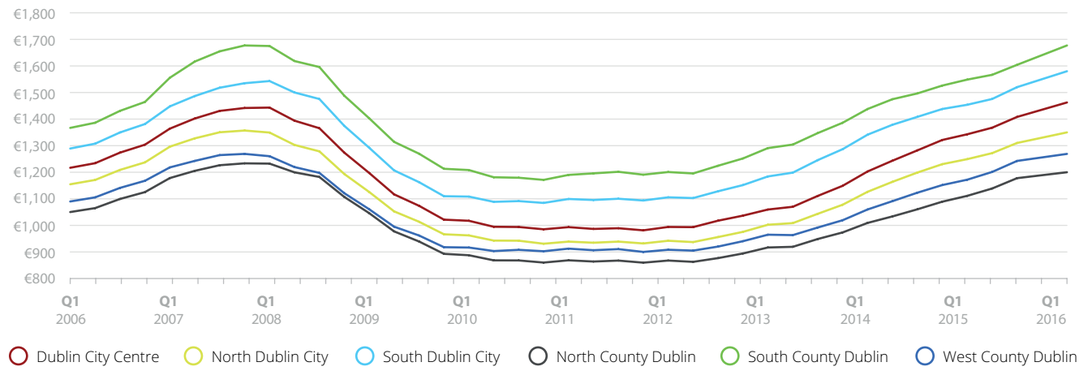
Room costs rise again

Rent-a-room costs per month rose by an average of 9% in the year to March, in line with the broader rental market.

Rent-a-Room Trends Q1 2016

	Single Bed		Double Bed	
RENTAL AREAS	AVG. RENT	YR/YR CHANGE	AVG. RENT	YR/YR CHANGE
Dublin City Centre	€ 563	8.1%	€ 668	6.2%
North Dublin City	€ 453	9.7%	€ 555	9.9%
South Dublin City	€ 487	8.0%	€ 628	8.5%
North Co. Dublin	€ 405	18.1%	€ 496	8.8%
South Co. Dublin	€ 481	8.6%	€ 596	7.2%
West Co. Dublin	€ 383	5.8%	€ 508	8.8%

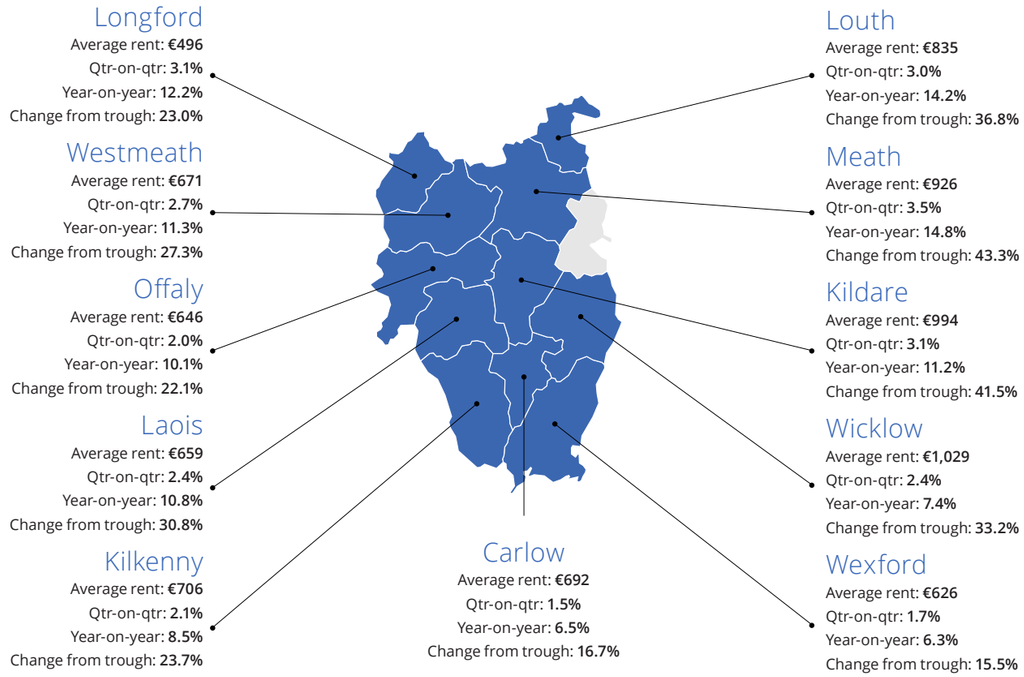
Dublin trends Q1 2016



Average house price by area, 2006-2016.

Leinster

Rents in Leinster just 5% below 2007 highs.



Rents in Meath and Louth again fastest growing

For the second quarter in a row, the biggest annual increases in rents in Leinster have been in Meath and Louth (above 14%).

Softer increases in the South-East

The smallest increases in rents in the last 12 months have been in counties Wicklow, Carlow and Wexford (between 6.3% and 7.4%).

Just 700 homes on the market

Slightly more than 700 homes were available to rent in Leinster on May 1st, the lowest figure on record since the series began in 2006.

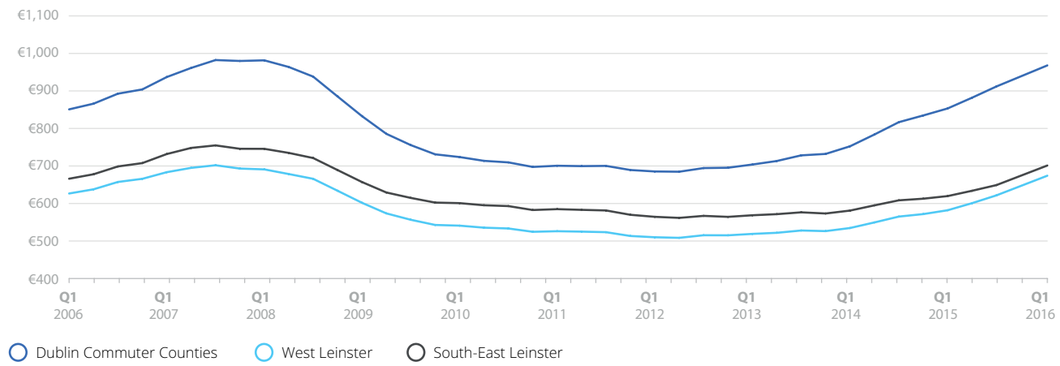
Double-room rentals increase strongly

While single room costs increased by no more than 5% on average in the last year, double-room costs have increased by nearly 10%.

Rent-a-Room Trends Q1 2016

	Single Bed		Double Bed	
RENTAL AREAS	AVG. RENT	YR/YR CHANGE	AVG. RENT	YR/YR CHANGE
Dublin Commuter Counties	€ 332	4.7%	€ 418	10.0%
West Leinster	€ 246	0.5%	€ 294	9.2%
South East Leinster	€ 274	4.5%	€ 336	8.7%

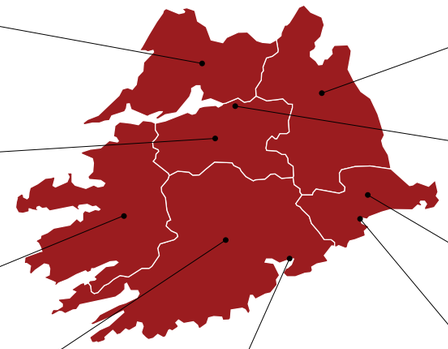
Leinster trends Q1 2016



Average house price by area, 2006-2016.

Munster

Urban-rural gap in Munster rent inflation once again.



Clare
Average rent: **€607**
Qtr-on-qtr: **0.8%**
Year-on-year: **8.5%**
Change from trough: **15.2%**

Limerick County
Average rent: **€641**
Qtr-on-qtr: **0.4%**
Year-on-year: **6.3%**
Change from trough: **13.7%**

Kerry
Average rent: **€623**
Qtr-on-qtr: **-0.2%**
Year-on-year: **2.8%**
Change from trough: **13.8%**

Cork County
Average rent: **€713**
Qtr-on-qtr: **1.1%**
Year-on-year: **9.7%**
Change from trough: **22.3%**

Cork City
Average rent: **€1,003**
Qtr-on-qtr: **2.6%**
Year-on-year: **16.0%**
Change from trough: **40.5%**

Tipperary
Average rent: **€629**
Qtr-on-qtr: **-0.5%**
Year-on-year: **4.2%**
Change from trough: **11.5%**

Limerick City
Average rent: **€792**
Qtr-on-qtr: **1.9%**
Year-on-year: **12.4%**
Change from trough: **30.2%**

Waterford County
Average rent: **€639**
Qtr-on-qtr: **0.2%**
Year-on-year: **5.3%**
Change from trough: **12.3%**

Waterford City
Average rent: **€687**
Qtr-on-qtr: **2.1%**
Year-on-year: **11.1%**
Change from trough: **22.4%**

City rents record strong growth

All three Munster cities saw double-digit increases in the year to March, with Cork rents now just 0.7% below their previous peak in 2007.

More moderate inflation in rural counties

While urban rents have risen up to 40% in since their lowest point, increases in rural Munster remain far more modest, with rents up by 11.5% from their lowest point in Tipperary.

Just 700 homes on the market

Fewer than 700 homes were available to rent in Munster on May 1st, the lowest figure since early 2006.

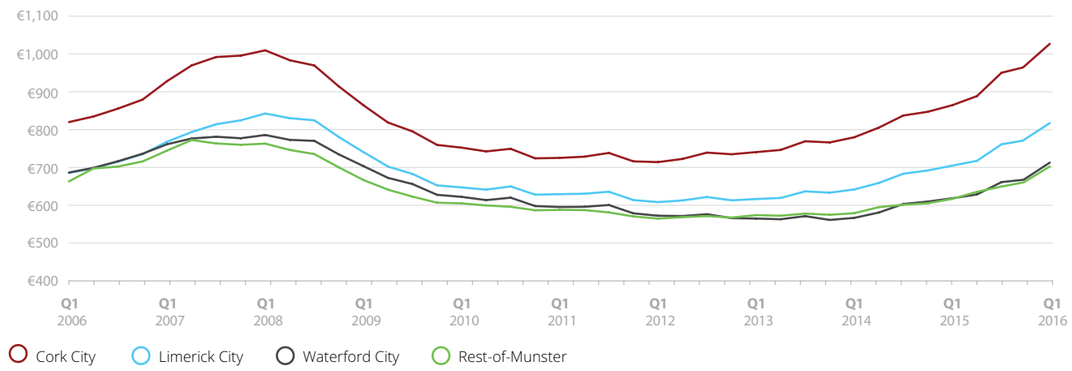
Urban room costs continue to rise

The monthly cost of renting a room in Munster rose strongly in the year to March, with double-digit gains in many urban segments.

Rent-a-Room Trends Q1 2016

	Single Bed		Double Bed	
RENTAL AREAS	AVG. RENT	YR/YR CHANGE	AVG. RENT	YR/YR CHANGE
Cork City Centre	€ 348	8.7%	€ 450	20.0%
Cork City Suburbs	€ 337	9.1%	€ 414	13.1%
Cork Commuter Towns	€ 328	12.3%	€ 390	14.0%
Limerick City Centre	€ 278	13.0%	€ 337	12.3%
Limerick City Suburbs	€ 271	4.2%	€ 297	5.7%
Waterford City Centre	€ 265	11.8%	€ 299	7.6%
Rest of Munster	€ 242	4.2%	€ 277	2.0%

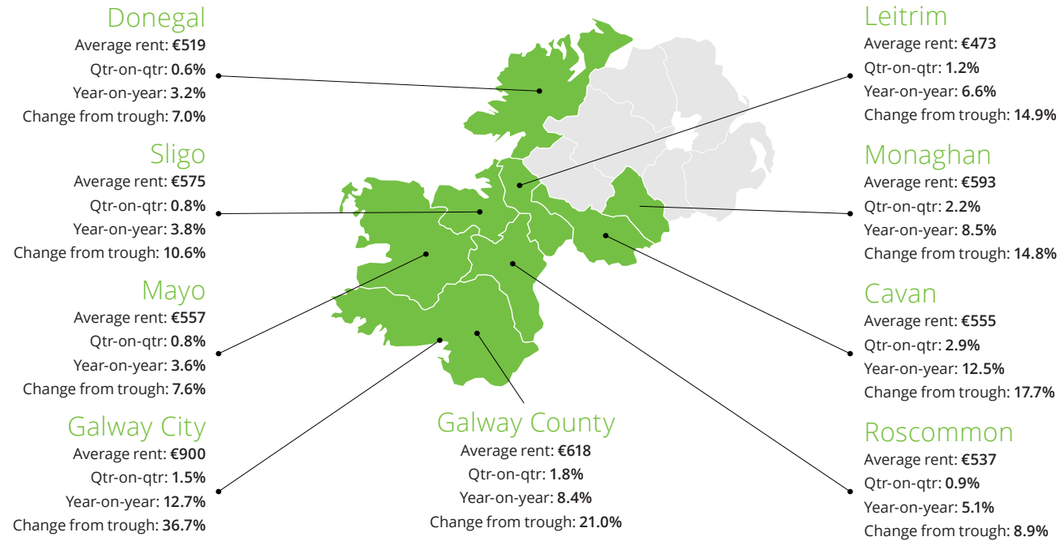
Munster trends Q1 2016



Average house price by area, 2006-2016.

Connacht/Ulster

Rent increases recorded in all nine markets in early 2016.



Large differences in trends

While rents in Galway city are now 37% above their lowest point, rents in Mayo, Roscommon and Sligo have risen by less than 10%.

Cavan and Monaghan inflation persists

Perhaps reflecting their access to the Greater Dublin area, rents in Cavan and Monaghan have risen by most in the last three months - and two years - excluding Galway city.

Just 600 homes on the market

Fewer than 600 homes were available to rent in Connacht and Ulster on May 1st, the lowest figure since early 2007.

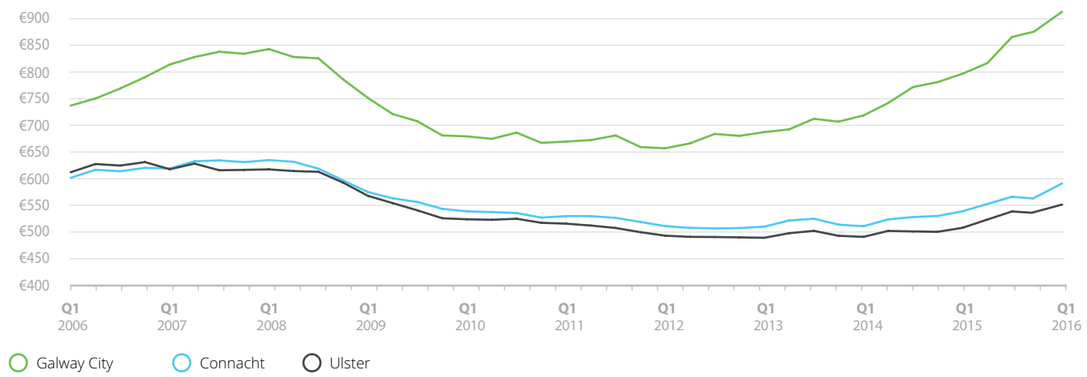
Rise in rent-a-room costs

As in other parts of the country, rent-a-room costs rose strongly in Connacht and Ulster in the year to March.

Rent-a-Room Trends Q1 2016

	Single Bed		Double Bed	
RENTAL AREAS	AVG. RENT	YR/YR CHANGE	AVG. RENT	YR/YR CHANGE
Galway City Centre	€ 362	17.5%	€ 405	7.4%
Galway City Suburbs	€ 305	9.7%	€ 363	10.3%
Rest of Connacht	€ 257	8.3%	€ 293	13.0%
Ulster (ROI)	€ 239	11.9%	€ 260	3.0%

Connacht/Ulster trends Q1 2016



Average house price by area, 2006-2016.

Over the last number of years, Daft.ie has collected a vast amount of data on the Irish property market. Each year tens of thousands of properties for sale or rent are advertised on the site.

About the Report

The goal of the Daft Report is to use this information to help all actors in the property market make informed decisions about buying and selling. In addition, because it is freely available, the Daft Report can help inform the media, the general public and policymakers about the latest developments in the property market.

This is the Daft.ie Rental Report, the partner to the Daft.ie House Price Report. Together, they give house-hunters and investors more information to help them make their decisions. These twin reports mean that Daft is the only objective monitor of trends in both rental and sales markets on a quarterly basis, making the report an essential barometer for anyone with an interest in the Irish property market.

The Daft Report was first launched in 2005. It has already become the definitive barometer of the Irish rental market and is being used by the Central Bank, mortgage institutions, financial analysts and the general public alike. The Daft.ie House Price report is Ireland's longest-running house price report, combining information from the Daft.ie archives with data from Ireland's Residential Property Price Register.

Methodology and Sample Size

The statistics are based on properties advertised on Daft.ie for a given period. The regressions used are hedonic price regressions, accounting for all available and measurable attributes of properties, with a Cooks Distance filter for outliers. The average monthly sample size for lettings properties is over 10,000. Indices are based on standard methods, holding the mix of characteristics constant, with the annual average of 2012 used as the base. For more on the methodology, please see www.daft.ie/research.

About Daft.ie

Daft.ie is Ireland's largest property website with over 1.9 million unique users of the site generating over 180 million page views each month.

Disclaimer

The Daft.ie Report is prepared from information that we believe is collated with care, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the indices, snapshots or analysis at any time for regulatory or other reasons. Persons seeking to place reliance on any information contained in this report for their own or third party commercial purposes do so at their own risk.

Credits

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Coming next:

The Daft.ie House Price Report 2016 Q2

The Daft.ie House Price Report will be published in July and will include a review of the performance of Ireland's sales market in the second quarter of 2016, plus all the usual indices, snapshots, trends and analysis, providing analysts, buyers, sellers and the public with the most up-to-date information on Ireland's sales market.

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